



KARDAN N.V.

KARDAN FORCED TO PUBLISH ISRAELI SECURITIES AUTHORITY AUDIT REPORT Company also publishes its response

Amsterdam, October 23, 2013 – Kardan N.V. (“Kardan”/ “the Company”), active in Real Estate, Water Infrastructure and Financial Services in emerging markets announces that the Israeli Securities Authority (“ISA”) has ordered the Company to today make public ISA’s final report regarding an audit of the valuation of certain real estate assets as at December 31, 2009.

The audit, which started in 2010, was conducted by the ISA and included, inter alia, the examination of the values of five real estate assets in the financial statements as of December 31, 2009. The assets are owned by group companies of Kardan’s then consolidated subsidiary GTC SA, which company is separately listed on the Warsaw Stock Exchange. Kardan currently holds 28% of the shares of GTC SA. As of Q1 2013, GTC SA is no longer consolidated in the financial statements of Kardan NV.

From the start, the Company has consistently strongly opposed the position of the ISA on this matter and has provided ISA with lengthy and thorough argumentation in this respect. Among other, the Company obtained independent opinions of internationally reputed valuation firms. The Company has included disclosure notes in its financial statements with respect to the matter.

On October 9, 2013, the Company received a letter from the ISA with their final audit report, which – inter alia – also included the obligation for the Company to make public the said final audit report. ISA’s audit report can be found on the website of the Company, www.kardan.nl, under Press / Immediate Reports as well as Kardan’s detailed response to ISA.

DISCLAIMER

This press release contains forward-looking statements and information, for example concerning the financial condition, results of operations, businesses and potential exposure to market risks of Kardan N.V. and its group companies (jointly “Kardan Group”). All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements (including “forward looking statements” as defined in the Israeli Securities Law). Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. These forward-looking statements are identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “objectives”, “outlook”, “probably”, “project”, “will”, “seek”, “target”, “risks”, “goals”, “should” and similar terms and phrases. A variety of factors, many of which are beyond Kardan Group’s control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of Kardan Group to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For Kardan Group, particular uncertainties arise, amongst others but not limited to and not in any order of importance, (i) from dependence on external financing with the risk that insufficient access to capital threatens its capacity to grow, execute its business model, and generate future financial returns (ii) from concentration of its business in Central Eastern Europe and China as a result of which Kardan Group is strongly exposed to these particular markets (iii) from risks related to the financial markets as a result of Kardan N.V.’s listings on NYSE Euronext Amsterdam and the Tel Aviv Stock Exchange and (iv) from it being a decentralized organization with a large number of separate entities spread over different geographic areas in emerging markets, so that Kardan Group is exposed to the risk of fraudulent activities or illegal acts perpetrated by managers, employees, customers, suppliers or third parties which expose the organization to fines, sanctions and loss of customers, profits and reputation etc. and may adversely impact Kardan Group’s ability to achieve its objectives and (v) from any of the risk factors specified in Kardan N.V.’s Annual Report and in the related “Periodic Report” (published by Kardan N.V. in Israel) published in April, and which is also available at the Kardan website. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. Kardan N.V. does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.



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About Kardan

Kardan identifies and develops assets in promising emerging markets, mainly in Central and Eastern Europe and in China. Its activities are predominantly focused on three sectors that benefit from the rising middle class: Real Estate, Water Infrastructure and Retail Banking and Lending. Company headquarters are in the Netherlands. Kardan aims at holding controlling interests in its investments and, through the development of local business platforms, is actively involved in the definition and implementation of their strategy. Total assets as of June 30, 2013 amounted to EUR 1.1 billion; revenues totalled EUR 90 million in the first half of 2013. Kardan is listed on NYSE Euronext Amsterdam and the Tel Aviv Stock Exchange.

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“This press release contains regulated information (gereguleerde informatie) as defined in the Dutch Act on Financial Supervision (Wet op het financieel toezicht)”